

# **AUTO COLLISION REPAIR LICENSING ADVISORY BOARD**

## **MEETING MINUTES FOR SEPTEMBER 30, 2009**

**Members present: Dave Reynolds-Chairman**

**Richard Bernstein - Legal Counsel/DBR**

**Dave Doucet - Rhode Island State Police**

**Thomas Broderick - DBR**

**Scott Wendel -Amica Insurance Company**

**Jerry Galleshaw, Public Member**

**Dan Coleman -Fournier & Coleman/AutoGlass Industry**

**Members absent: Paul Kiernan, of Paul Masse Dealership**

**Dennis Gamba, Cranston Collision**

**Others present: Kim Precious, Implementation Aide, DBR**

**Randy Botelho, Reliable Auto**

**Jack Condon, Progressive**

**MEETING CALLED TO ORDER AT 10:35 A.M.**

## **NEW BUSINESS**

**DR: Approval of previous meeting minutes. Asked if there are any questions. Motion to pass.**

**DD: Seconded. All in Favor.**

**DR: Asked if anyone has heard from Board member Paul Masse. Dave will call him.**

**RB: Update on CLR 3. Department patterned rates after PUC. Reg duly implemented. Did not hear from Insurers or Auto Body shops.**

**RB: Update on amending Reg 4. Work Completion Form to reflect statutory wording. Current form has too much back and forth and compliance is not very good. Reference for insurance company to be involved is not statutory. Eliminate Insurance Industry from process. If insurance company wants copy it can request. Certification of repairs suggesting insured can check box: no repairs done; partial repairs done; body shop completion amount; amount of deductible applied, or not at all. Form can be attached to repair invoice. Insurer will come in, body shop give insurer copy of repair order insured fill out. Form to memorialize repairs or partial repairs.**

**Randy: Who would initiate form?**

**RB: Shop would initiate form.**

**DR: Statute does not reference deductibles in any form. Statue is explicit; notes repair work done on vehicle. Curious to where the deductible comes from? The deductible has no relevance on repair**

form.

**GG:** Sitting here listening to the good ideas get stuck in everyone's turf. Lets take the insurance companies out of the paperwork. Then you deal with deductible.

**DC:** Do you have to pay deductible?

**RB:** Your rates are based on the deductible. Some states say it is fraudulent to return deductible. We at DBR have not ruled on it. We just want to make the process transparent. So we can have a roadmap. We can talk about it when we actually see the form.

**DC:** You mean in RI we don't have to collect the deductible and I would be legal. Yes or no.

**RB:** We officially have not ruled on it. Let your conscious be your guide.

**RB:** There is another big issue in CL4. In regards to the rates for re-inspection, the regulation refers to 2005 and has rates through 2009 and ends this year. I got rid of 2005 and rather than keep calculating all the years I think the 2009 rate was 42.00. I tried to come up with something that states that the CPI had been a historical basis and has been increased on the average of 3 percent. If the CPI goes up or down more than a point than the Director can vary at his

discretion. We can talk about the redlined version at next meeting. Kim will send to committee for review for next meeting.

DR: That is basically how it is written now.

RB: I just adjusted the wording.

Randy: While we are on that subject. Re-inspections have not been formalized in any of our regulations. We all agree there is a difference in inspection and re-inspection and have written language for conduct.

RB: I deleted section 7(e) insurance inspections and appraisals, and referred to regulation 15.

Randy: While we are looking at section regarding rate re-inspection we may want to also reconsider outlining the re-inspection procedures. Because I have seen cases where the appraiser comes in for supplement and performed re-inspection. This results in huge fights due to ignorance of regulations.

DR: Reg 73 turned into Reg 78 and goes back years.

RB: There has also been controversy we're a shop won't let an insurance company in for re-inspection until the repair certification form is signed. Shop was basing its opinion on old 1997 case from

**DBR. This case has since been superseded by these regulations.**

**AMENDED AS FOLLOWS:**

**That is a little different from what I recall saying. I recall indicating that while we consider revising the Reg regarding the COR and the board considers the DBR suggested change to how Reinspection Expenses are calculated, we should also consider if the Reinspection Process continues to be necessary outside the DRP process where insurance companies have a fiduciary obligation to complete reinspections. I also recall indicating that it is my opinion that the Reinspection Process may be a remnant from a different time and that we should examine if they continue to be useful or do they just add friction and expense to a process we have all worked very hard to improve over the past years.**

**I think it was Richard who indicated any changes would have to be approved by the legislature and that perhaps this was something the industries could co-propose amending legislation on in the coming session.**

**DR: I think we are overlapping. If you have a form signed under penalty of perjury. Why have a re-inspection process?**

**Randy:** Re-inspection was implemented before we had the technology and the regulations we have today.

**RB:** This will be a recommendation of the subcommittee.

**SW:** Re-inspection does add cost to industry.

**DR:** Encouraged subcommittee to try to arrange tentative meeting date. Asked Jack to contact his four from industry and Randy his four from industry to get together a meeting.

**RB:** Joint response would take this board to another level.

**Randy:** Big improvement with relationships between industries have stemmed from this board.

**DR:** Any other comments?

**RB:** In a recent meeting the Department had with inspectors from ADA, it is necessary for open meeting notices to have a statement directed to the disabled. Statement will be noticed on next agenda.

**KP:** Renewal postcards will go out this week.

**DR:** Is application on the Internet?

**Randy: Is taxpayer status affidavit required? Spell out how to obtain.**

**KP: Indicated on instruction page, this can be found on page 11.**

**DR: Has received phone calls on tax certification.**

**Randy: Huge improvement in form. I have met with my local fire department; they are starting to get inspection requests. Big issues, licensees not in compliance.**

**RB: Shops renewed in 06 and nothing changed and cannot get renewed now.**

**Randy: Spraying shops were inspected only for fire standard ops, fire extinguishers, and exit signs.**

**DR: Explosion proof requirements are expensive. Asked if there are other questions.**

**Randy: Referred complainant to DBR and urged them to formally file complaint with association. His inspection noted apparent violations.**

**DR: Asked Richard, if Chairman has option to make a request to the Director for clarification on something once a month.**

**RB: I don't see why not, unless you want to personally meet with him. ("Open Door" policy)**

**Motion to Adjourn: 11:31**

**GG: Seconded. All in favor.**